

BUREAU OF THE BUDGET  
WASHINGTON 25, D. C.

October 18, 1955

CIRCULAR NO. A-2

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Review of real property holdings (other than public domain)

1. Purpose. It is desirable that the Federal Government divest itself of real property holdings which are not needed. The head of each agency is requested personally to ensure that intensified action is taken to identify and declare as excess real properties which are not needed. The purpose of this Circular is to establish general guidelines for the accomplishment of this objective with respect to real properties within the continental United States, exclusive of the public domain.

2. Policy guidelines: Real properties or portions thereof generally shall be declared excess when:

- a. They are not being used by the owning agency and there are no approved plans for future use.
- b. Substantial net savings to the Government would result if properties used for essential purposes were sold at their current market values and other suitable properties of substantially lower current values were substituted for them.
- c. The costs of operation and maintenance are substantially higher than for other suitable properties of equal or less value which can be made available by transfer, permit, or purchase.
- d. They are being leased to private enterprise but could be sold under provisions of the leases and in accordance with existing laws, if the Government's requirements for goods or services produced on such properties would be met satisfactorily with the properties in private ownership.
- e. They are being used by the Government to produce goods or services which are available from private enterprise, except when it is demonstrated clearly in each instance that it is not in the public interest to obtain such requirements from private enterprise.

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3. Financing arrangements. It is recognized that, in some instances, action cannot be accomplished in accordance with these guidelines without first incurring expenses for which appropriate financing arrangements or legislation must be obtained. There should be no delay, however, in making the necessary studies and in submitting proposals for such financing arrangements or legislation, including estimates of replacement costs and ultimate net savings, as part of the budget submissions.

4. Implementation. The head of each agency should ensure that:

- a. Instructions and criteria are developed and issued for the application of the guidelines established herein. It is requested that copies of such criteria and instructions be sent to the Bureau of the Budget by November 30, 1955.
- b. Thorough reviews of real property holdings are initiated promptly and carried through on an annual basis.
- c. Properties or portions of properties are declared excess without delay if continued ownership is not justified.

By direction of the President:

ROWLAND R. HUGHES  
Director

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